

DEFINITION

BENCHMARKING: (1) Measuring products, services, and practices against the toughest competitors or those known as leaders in the field. (2) The process of continuously comparing and measuring an organization against business leaders anywhere in the world to gain information which will help the organization take action to improve its performance. (3) A systematic and continuous measurement process.

INTERNAL BENCHMARKING: Involves comparing yourself to similar operations within DCMC. It is an approach that involves learning from other divisions, units, and operating entities. For example: CAO to CAO within a District; District to District within DCMC.

EXTERNAL BENCHMARKING: Involves comparing our processes to similar processes of other companies (outside of DCMC). For example: DCMC to DCAA, DCMC to Federal Aviation Administration, DCMC comparing our supplier management process with Maryland Bank of North America's supplier management process.

GENERIC BENCHMARKING: Involves comparison of work practices or processes that are unrelated. It is an approach that involves the broadest application of the benchmarking process because it is not confined to any one industry. For example, DCMC comparing our turnaround time for customer requests with a race track pit crew's turnaround time to get the race car back on the track.

The National Performance Review (NPR) states that the quality for services we provide to the public be equal to the best in business. The Department of Defense (DoD) Streamlining Plan, developed in response to the NPR, specifically requires benchmarking be performed as a means to improve business practices and efficiency. The Defense Logistics Agency (DLA) through its Corporate Plan, and the Defense Contract Management Command (DCMC) through its Business Plan, have committed to benchmarking internal processes to meet these requirements. DCMC, through benchmarking, can identify areas to radically improve the quality and affordability of performing Contract Administration, and increase our responsiveness to our customers.

Benchmarking is a process through which the Command can compare our internal performance against an external standard of excellence and then act to meet or exceed that standard. This process is not a stand alone activity. To be done properly, it must draw on many of the other DCMC informational and planning tools: Unit Cost/Activity Based Costing, Performance Labor Accounting System (PLAS), Metrics, Process Oriented Contract Administration Services (PROCAS), FOCUS, etc. Benchmarking is an additional tool for achieving significant improvements in the way we do our business while still meeting the challenges that budget reductions present.

A DCMC Benchmarking Steering Group was established to oversee the Command's benchmarking initiative. This Steering Group is comprised of representatives from Business Management (AQB),

Contract Management Policy (AQO), the Districts, International (DCMCI), and the DLA Office of Process and Resource Analysis (DPRA). Also participating is a representative from DLA's Corporate Performance Office (CAAF). The Steering Group will be an active committee until benchmarking becomes an integral part of DCMC process improvement efforts.